

# **EXHIBIT 2**

CERTIFIED TRANSLATION

BY OLGA M. ALICEA, FCCI, NJITCE-S

**(S. B. 1623)**

18 <sup>th</sup> LEGISLATIVE ASSEMBLY	14 <sup>TH</sup> ORDINARY SESSION
Law No. 81	
(Approved on August 3, 2020)	

## **LAW**

To create the “Law to Provide an Honorable Retirement for the Members of the Rank System of the Puerto Rico Police, the Members of the Firefighters Corps Bureau[,] the Members of the Puerto Rico Custodial Officers Corps, and the Emergency Medical Technicians, commonly known as paramedics, of the Medical Emergencies Corps Bureau, and of the Municipal Medical Emergencies System, including those ascribed to the Offices for Emergency Management; a new subsubsection (7) is added to subsection (a) of Article 5-103 of Law No. 447 of May 16, 1951, as amended; subsubsections (7), (8), (9), (10), and (11) of subsection (a) of Article 6-103 of Law No. 447 of May 15, 1951, as amended are added as subsubsections (8), (9), (10), (11), and (12), respectively; sand for other related purposes.

## **PREAMBLE**

An honorable pension at the time of one’s retirement is vital to maintain a source of income that allows them to meet their obligations and address the needs that, over the years, as a general rule, become more expensive. In the case of our public servants, who are today close to retirement age, one of the main considerations when entering public service was financial security in their retirement according to the representations made to them by the Government at that time. It is not a secret that, due to the economic situation in Puerto Rico, it has been necessary to make spending adjustments in different areas, including pension plans. However, we understand that it is necessary to adjust the benefits for the Members of the Rank System of the Puerto Rico Police, the Members of the Firefighters Corps Bureau, and the Members of the Puerto Rico Custodial Officers Corps, so that we can guarantee an honorable retirement to those who put their lives at risk to protect of our safety. Not doing so is to fail our social duty and will have disastrous effects that would impact different elements of our coexistence, including public safety.

The members of the police, firefighters, and custodial officers are dedicated to protecting the life and property of all Puerto Ricans from the respective fronts. Despite the outrages, scarcity of resources, and other obstacles that the members of these Security Corps have suffered, Puerto Rico has men and women who on a daily basis work tirelessly to keep the Island safe.

Through this Law, we do justice to the Members of the Rank System of the Puerto Rico Police, the Members of the Firefighters Corps Bureau, and the Members of

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the Puerto Rico Custodial Officers Corps realistically and responsibly. As part of this Legislature's commitment to those who give their most productive years to protect the property, life, and safety of all Puerto Ricans, an honorable retirement is made possible for those members of these security corps who belong to Law No. 447 of May 15, 1951, as amended, and to Law No. 1 of February 16, 1990, as amended. These servants had wrenched from them the hope of having a secure source of income after their retirement through Law 3-2013.

Even though these members had entered public service under certain terms that guaranteed them a pension upon retiring of up to seventy-five percent (75%) plus other benefits that were excessively reduced. Among the disastrous effects of Law 3-2013, their right to a health plan was eliminated, thus depriving retired police officers, firefighters, and custodial officers of an essential tool to be able to address their health conditions at the most vulnerable moments of their lives. Specifically, their pensions were reduced to less than half and the contribution to the health plan was taken from the servants who, day after day, expose their lives at the service of the people.

As an example, prior to the enactment of the disastrous Law 3-2013, the members of the Police Rank System participants in Law 447, *supra*, and Law 1, *supra*, could retire with a pension equivalent to seventy-five percent (75%) of their salary, once they reached fifty-five (55) years of age and thirty (30) years of service. Through the disastrous Law 3-2013, there are members of the police who, despite having the age to retire, would have to agree to leave with a pension equivalent to less than thirty percent (30%) of their current salary. This represents a cut of more than 40% of the pension that was promised to them at the time of their entry. In turn, Law 3-2013 also deprived them of the right to receive the monthly contribution of \$100 for their health plan.

As a result of the foregoing, there are approximately 1,147 active police officers of Law 447, *supra*, and 5,146 active police officers belonging to Law 1, *supra*, whose average age fluctuates between 48 and 55 years. Today, Puerto Rico has members of the police who are over sixty (60) years old who have not yet retired since the pension to which they are entitled today is not enough to live on. In addition, the members of the Firefighters Corps Bureau and the members of the Custodial Officers Corps experience a similar situation, with the only difference being that they qualify and have contributed to receive social security benefits.

On the other hand, it is important to emphasize that, thanks to a historic effort of this Legislature together with the officials of today's Executive Branch, the members of the police began contributing to social security last January 1, 2020. This represents an advance in their benefits and additional income in their retirement, once they have turned sixty-two (62) years old. It is important to point this out since, as a general rule, all members of the police must retire at the age of fifty-eight (58), due to the nature of their position. Likewise, inclusion in social security guarantees a series of additional benefits for the police and their family in the event of disability, death, and other

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circumstances contemplated in the law. Now then, to be entitled to these benefits, it is necessary that they have completed a minimum of years contributing to the system, which may be a challenge for many members of the police participants of Law 447, *supra*, and Law 1, *supra*, who have opted to adopt social security.

This Law seeks to return to the police, firefighters, custodial officers, and their families the hope of receiving an honorable retirement, granting a lifetime annuity to those members of the police who have 30 or more years of service. The members who have at least thirty (30) years of service, and who are fifty-five (55) years old may retire with up to fifty-five percent (55%) of their salary at the time of retirement. As an additional incentive, which allows retaining these public servants while the recruitment process concludes, it is established that those members who remain in service until they are fifty-eight (58) years old will be entitled to receive up to fifty-five per percent (55%) of the salary earned at the time of their retirement. In addition, they are guaranteed a contribution of one hundred dollars (\$100) per month for health insurance, a benefit that Law 3-2013 wrenched from them.

It is important to emphasize that under Law 107-2017, which created the current “*pay as you go*” system, both the salary and the eventual pension of a member of the police, firefighters, or custodial officers are covered from the general fund. Therefore, to the extent that those members of these security corps with more years of service retire, a saving is produced. Thus, the present Law does not require new funds to be compatible with the fiscal plan. Even so, we emphasize that among the measures approved to improve the Retirement compensation of the Puerto Rico Police is a contribution created through Law 257-2018. Article 159 of the L y 257, *supra*, amended the Games of Chance Machine Act to provide, among other things, that fifty percent (50%) of the revenue generated will be deposited in a trust, which it will be used as a contribution to improve the Retirement compensation of the Puerto Rico Police. The Commission in charge of managing the fund is required to remit the same on a monthly basis in accordance with the formula established in the Law.

Notwithstanding the foregoing, this Legislature recognizes the need to carry out the recruitment of new agents, firefighters, and custodial officers. However, there will always be a need for recruitment regardless of whether or not the retirement of existing police officers is improved. Taking into account all of these issues, this Legislature cannot remain inert and not act to improve the retirement of these servants. New recruits start at the basic wage scale, which may be partially funded with the savings generated by this Law.

On the other hand, the present Law addresses the concern that there will be a massive exodus of these public servants. In response to this, it is provided that the Department of Public Security and the Puerto Rico Department of Corrections and Rehabilitation, in coordination with the Executive Director of the Retirement Systems, will have a term of sixty (60) days to approve the regulations necessary for the

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implementation of this Law. The regulations must include a process for the staggered retirement of the respective members of the security corps that this Law provides, which may not exceed eighteen (18) months.

For this reason, this Legislature deems it pertinent to approve the Law to Provide an Honorable Retirement for the Members of the Rank System of the Police, the Members of the Firefighters Corps Bureau, and the Members of the Puerto Rico Custodial Officers Corps, as a fiscally responsible measure that allows doing justice to these servants.

**BE IT RESOLVED BY THE PUERTO RICO LEGISLATURE:**

Section 1. - Title.

This Law will be known as the "Law to Provide an Honorable Retirement for Members of the Rank System of the Police, the Members of the Firefighters Corps Bureau, and the Members of the Puerto Rico Custodial Officers Corps."

Section 2.- A new subparagraph (7) is added to subsection (a) of Section 5-103 of Law No. 447 of May 15, 1951, as amended, to read as follows:

"Article 5-103. - Accrued Benefits.

(a) ...

(1)...

...

(7) For members of the Puerto Rico Police who belong to the Rank System, the members of the Firefighters Corps Bureau, the members of the Custodial Officers Corps, and the Emergency Medical Technicians, commonly known as paramedics, of the Medical Emergencies Corps Bureau, and of the Municipal Medical Emergencies System, including those ascribed to the Offices for Emergency Management who entered the Retirement System prior to January 1, 2000, retirement will be optional when they turn fifty-five (55) years old, provided they have thirty (30) years or more of service.

(i) In the case of the members of the Police, the members of the Firefighters Corps Bureau, the members of the Custodial Officers Corps, and the Emergency Medical Technicians, commonly known as paramedics, of the Medical Emergencies Corps Bureau, and of the Municipal Medical Emergencies System, including those ascribed to the Offices for Emergency Management who have reached the age of fifty-five (55), who

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entered the System prior to April 1, 1990, they will be entitled to receive a pension equal to fifty percent (50%) of the salary earned by the police *[sic]* at the time of their retirement.

- (ii) In the case of the members of the Police, the members of the Firefighters Corps Bureau, the members of the Custodial Officers Corps, and the Emergency Medical Technicians, commonly known as paramedics, of the Medical Emergencies Corps Bureau, and of the Municipal Medical Emergencies System, including those ascribed to the Offices for Emergency Management who remain in service until they have reached the age of fifty-eight (58), who entered the System prior to April 1, 1990, they will be entitled to receive a pension equal to fifty-five percent (55%) of the salary earned at the time of their retirement.
- (iii) In the case of the members of the Police, the members of the Firefighters Corps Bureau, the members of the Custodial Officers Corps, and the Emergency Medical Technicians, commonly known as paramedics, of the Medical Emergencies Corps Bureau, and of the Municipal Medical Emergencies System, including those ascribed to the Offices for Emergency Management who have reached the age of fifty-five (55), who entered the System between April 1, 1990, and December 31, 1999, they will be entitled to receive a pension equal to forty-five percent (45%) of the salary earned at the time of their retirement.
- (iv) In the case of the members of the Police, the members of the Firefighters Corps Bureau, the members of the Custodial Officers Corps, and the Emergency Medical Technicians, commonly known as paramedics, of the Medical Emergencies Corps Bureau, and of the Municipal Medical Emergencies System, including those ascribed to the Offices for Emergency Management who remain in service until they have reached the age of fifty-eight (58), who entered the System between April 1, 1990, and December 31, 1999, they will be entitled to receive a pension equal to fifty percent (50%) of the salary earned at the time of their retirement.
- (v) Any members of the Police, the members of the Firefighters Corps Bureau, the members of the Custodial Officers Corps, and the Emergency Medical Technicians, commonly known as paramedics, of the Medical Emergencies Corps Bureau, and of

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the Municipal Medical Emergencies System, including those ascribed to the Offices for Emergency Management who retire under the provisions of this subsection, will be entitled to a lifetime employer contribution of one hundred dollars (\$100) per month to the health insurance plan chosen by the participant pursuant to Law No. 95 of June 29, 1963, as amended, known as the "Public Employees Health Benefits Act" or any other Law that is created in the future to those ends.

... "

Section 3.- Subparagraphs (7), (8), (9), (10), and (11) of subsection (q) of Article 5-103 of Law No. 447 of May 15, 1951, as amended, are renumbered as subparagraphs (8), (9), (10), (11), and (12), respectively.

Section 4.- The funds necessary to comply with this Law will come from the General Fund from the payroll savings generated pursuant to the enactment hereof.

Section 5.- Regulation.

The Department of Public Security and the Puerto Rico Department of Corrections and Rehabilitation, in coordination with the Executive Director of the Retirement Systems, will have a term of sixty (60) days to approve the regulations necessary for the implementation of the provisions hereof. The regulations must include a process for the staggered retirement of the members of the security corps that this Law provides, which may not exceed eighteen (18) months.

Section 6.- Severability clause.

If any clause, paragraph, article, or part of this Law is declared unconstitutional or defective by a competent Court, the judgment entered to that effect will not affect, harm, or invalidate the rest of this Law. The effect of such judgment will be limited exclusively to the clause, paragraph, article, or part thereof that has been so declared unconstitutional or defective.

Section 7.- Effectiveness.

This Law will enter into effect immediately after its enactment.



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**DEPARTMENT OF STATE  
Certifications, Regulations, Registry  
of Notaries, and Sale of Laws**

**I hereby certify that this is a true and exact copy of the original  
Date: AUGUST 5, 2020**

**(Signed)**

**Signature:**

**Maria A. Marcano De León, Esq.  
Undersecretary  
Department of State  
Government of Puerto Rico**

**CERTIFICATION**

I, Olga M. Alicea, an English-Spanish Interpreter and Translator certified to that effect by the Administrative Office of the U.S. Courts and by the National Association of Judiciary Interpreters & Translators (NAJIT), do hereby certify that I have personally translated the foregoing document from Spanish to English and that the translation is true and accurate to the best of my knowledge and abilities.

S/ Olga M. Alicea

**Olga M. Alicea, FCCI, NJITCE-S  
Fed. Cert. No. 98-005**

August 13, 2020

**Date**

**Ref.: P1701.001 (CGB)**